



Wisconsin State Senate

**Testimony of Senator Sullivan
Senate Bill 502
Senate Health, Health Insurance, Privacy, Property Tax Relief, and
Revenue Committee**

Good morning Chairman Erpenbach and members of the committee. Thank you for holding a public hearing on this important legislation and for the opportunity to speak to the committee about Senate Bill 502. With healthcare costs continuing to rise across the state and nation, it is important to find practical ways to reduce these costs to consumers. SB 502 and its companion bill in the Assembly, AB 699, will offer fully insured plans and individual policy holders the ability to access wellness programs.

SB 502 allows an insurer to advertise, market, offer, or operate a wellness program without violating an unfair trade or marketing practice. Some examples of wellness programs include: weight loss programs, smoking cessation classes and health education seminars.

The intent of voluntary program incentives is to encourage participation in wellness programs. 7 in 10 consumers say they would participate in a wellness program and 76% would participate in a disease management program if they were given financial incentives such as a premium discount or financial reward.

SB 502 will also enable employers to provide financial incentives for healthy behaviors. Incentive-based programs offer rewards to participating individuals, and ultimately, these programs contribute to lower long-term healthcare costs.

Wellness program incentives must be made available to everyone and the program must provide reasonable alternative standards for persons with medical conditions that make it medically unadvisable for them to participate or satisfy the program standard. Programs can individually tailor the standards on a case-by-case basis.

Wellness programs have been proven to improve health and therefore lower healthcare costs. I ask for your support of SB 502, and will answer any questions you have.

Date: February 24, 2010

To: Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief and Revenue

From: Meg Christianson, Humana

Re: SB 502 exempting wellness programs from unfair trade or marketing practices

Good Morning, Chairman Erpenbach and members of the committee, my name is Meg Christianson and I am a nurse coach for Humana. Thank you for holding a public hearing on SB 502. On behalf of Humana, a health benefits company that provides coverage to more than 400,000 Wisconsin residents, I appreciate the opportunity to participate in today's discussion and commend Senator Jim Sullivan and Representative Ted Zigmunt for sponsoring legislation to promote health and wellness in our state.

I am a coach in Humana's Personal Nurse Program, which means I help individual Humana members stay healthy and accomplish their personal health goals. All of the RNs in Humana's Personal Nurse Program have a mission to support and guide people to better health, and we know firsthand how important Wellness Programs are in promoting good health.

Humana currently has many Wellness Programs. We provide Health Coaching that the member can choose to enroll in, for smoking cessation, physical activity, nutrition improvement, stress management, back care, and weight loss. Humana also supports the SilverSneakers initiative for older adults, which is a senior-focused fitness program. At Humana we know that no matter the age, an ounce of prevention can lead to a longer life and a healthier lifestyle.

Humana supports SB 502. Current federal Health Insurance Portability and Accountability Act (HIPAA) nondiscrimination rules provide protections to ensure wellness programs do not unfairly discriminate on the basis of health factors. SB 502 would follow these same protections and would extend this security to all employees.

- We must provide wellness program incentives to everyone and ensure reasonable alternatives for persons with medical conditions that make it medically unadvisable for them to participate or satisfy the program standard. Under Humana's program, an alternative standard for members with medical conditions is participation in health coaching. A phone-based health coach helps with a range of activities - from discussing the many ways nutrition services as the basis for good health to helping set goals to become and stay tobacco-free
- Furthermore, HIPAA includes privacy and security requirements that extend to personal health information (PHI) collected by individual and group health plan insurers, health care providers, and their contracted business associates or delegated vendors.
- Also, the federal Americans with Disabilities Act requires that we treat wellness program information confidentially, separate from employer personnel files and only accessible to wellness program personnel

SB 502 would modify state law to explicitly allow health plans to market and offer wellness programs to Wisconsin residents with group or individual products. Humana supports creating flexibility in state law that allows insurers and employers to offer voluntary incentive-based wellness programs.

As a nation, we spend more and more time at work. That's why the workplace provides such a great opportunity to engage people in wellness programs. Workers who participate in employer-based wellness programs find they have better on the job decision-making and time management, as well as greater loyalty to their company¹. According to a recent survey, two-thirds of all U.S. employees believe that wellness programs can be a very effective approach to promote better health practices at the worksite. Unfortunately, that same study revealed that only 3 in 10 employees currently participate or have participated in wellness programs over the past three years². Therefore, incentives are emerging as an extremely important way to engage employees in workplace wellness efforts. Frequently, the presence of incentives can increase program participation, increase loyalty to a specific healthy behavior and boost follow-through by 10-20 percent.³

Humana supports SB 502 and we encourage your support. Thank you for your consideration and I am happy to answer any questions you may have.

Meg Christianson
Personal Nurse
Humana

¹ Wellness E-zine, <http://lifegetinit.greenmaplewellness.net/new/articles/article.html?artid=1142>

² WELCOA Special Report: Can Incentives Really Maximize Wellness Program Participation?

³ Sandra J Wendel, WELCOA newsletter editor

Wisconsin Association of Health Plans

DATE: February 24, 2010

TO: Members, Senate Committee on Health, Health Insurance, Privacy, Property
Tax Relief and Revenue

RE: Support for SB 502 - Exempting Wellness Programs
From Unfair Trade or Marketing Practices

The Wisconsin Association of Health Plans supports Senate Bill 502 and commends Senator Jim Sullivan for his efforts to promote participation in wellness programs and reduce health care costs for Wisconsin's residents.

Current state law considers it an unfair trade practice when a health plan pays, allows, gives, or offers to pay, allow or give, directly or indirectly, anything of value as an inducement to purchasing insurance coverage unless the item of value is specified in the insurance policy. Because wellness programs are not insured benefits, they are not allowed to be marketed or disclosed along with insurance benefits.

Many health plans in Wisconsin currently have been allowed to offer wellness programs through limited exemptions. Senate Bill 502 will modify state law to explicitly allow health plans to market and offer wellness programs to Wisconsin residents.

Wellness programs help promote healthier lifestyles and reduce long-term health care costs by encouraging people to exercise more often, eat healthier, and be more conscious about their personal lifestyle and behavioral choices.

Reimbursement for fitness classes, rewards for reaching workout goals, discounts for participating in healthy cooking or healthy lifestyle classes, and incentive-based programs for weight loss and smoking cessation are just a few examples of the wellness incentives being offered by health plans in Wisconsin.

As we continue to look for ways to reduce health care costs and overutilization of health care services, this legislation would make it clear that promoting healthy lifestyles and encouraging healthy habits are valuable tools in that effort.

The Wisconsin Association of Health Plans appreciates committee members' support for Senate Bill 502.

The Wisconsin Association of Health Plans represents 16 health plans that, with their affiliated organizations, serve more than 3 million Wisconsin residents.

Member Health Plans: Abri Health Plan • Anthem Blue Cross and Blue Shield • Arise Health Plan • Children's Community Health Plan, Inc. • Dean Health Plan • Group Health Cooperative of Eau Claire • Group Health Cooperative of South Central Wisconsin • Humana, Inc. • Independent Care Health Plan • Managed Health Services • MercyCare Health Plans • Network Health Plan • Physicians Plus Insurance Corp. • Security Health Plan • UnitedHealthcare of Wisconsin, Inc. • Unity Health Plans Insurance Corp.



We care for Wisconsin.

UNDERWRITTEN BY WPS HEALTH PLAN, INC.

TO: Senate Committee on Health, Health Insurance, Privacy, Property Tax Relief and Revenue

FR: Jeffry Young, D.O., Medical Director, Arise Health Plan

DT: February 24, 2010

RE: Support Senate Bill 502, Exempting Wellness Programs From Unfair Trade or Marketing Practices

As a practicing pediatrician and Medical Director for Arise Health Plan in Green Bay, Wisconsin, I support Senate Bill 502 and recommend its approval as a positive development in the fight against childhood obesity and the promotion of health and well being.

Every day my medical colleagues and I see the medical problems caused by unhealthy behaviors. We see them in children, but also in adults and families, as well. In Wisconsin, roughly 28 percent of children are obese or overweight, and 26 percent of our adult population is considered obese. Our health plan helps address these problems in various ways, including offering wellness programs that promote better health and improve the quality of patients' lives. But offering wellness programs can be a challenge for many health plans.

Current law can hinder a health plan's ability to encourage participation in wellness programs as part of their insurance offerings. Specifically, state law considers it an unfair trade practice when a health plan pays, allows, gives, or offers to pay, allow or give, directly or indirectly, anything of value as an inducement toward the purchase of insurance unless the item of value is specified in the insurance policy. Because wellness programs are not insured benefits, they are not allowed to be marketed or disclosed along with insurance benefits. In practice, health plans have received limited exemptions allowing them to offer wellness programs. Senate Bill 502 would change the law to explicitly allow health plans to market and offer wellness programs in Wisconsin.

I commend Rep. Ted Zigmunt and Sen. Jim Sullivan for their work in making it easier for health plans to help Wisconsin residents to adopt healthier habits through wellness programs, and I encourage Committee members to support Senate Bill 502.